

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the matter of	)	
	)	
Federal-State Joint Board on	)	
Universal Service	)	CC Docket No. 96-45
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	

**COMMENTS OF THE MAINE PUBLIC UTILITIES COMMISSION**

The Maine Public Utilities Commission (MPUC) is a state regulatory agency charged with ensuring that there is a regulatory system consistent with the public interest and with State law. It is the policy of the State of Maine to ensure that access to advanced services be made available to all communities without regard to geographic location, 35-A M.R.S.A. § 7101. With these duties in mind, the MPUC files these initial comments in response to the Notice of the Commission published in the Federal Register on May 23, 2007.

We recognize that the existing universal service fund mechanism for providing support to competitive carriers is causing the Federal Universal Service Fund to grow substantially in some areas of the country. We also recognize that the “equal support rule” which bases support payments for Competitive Eligible Telecommunications Carriers (CETCs) on the support payments of the incumbent carrier is causing the fund to grow dramatically. The “equal support rule” is also providing more total support than is needed in some states because in those states the incumbent’s costs are much greater than those incurred by the wireless CLEC to provide full rural area wireless

coverage. Furthermore, in some states the CETC support is not being used by carriers for rural “buildout” purposes.

Nevertheless, there are states, such as Maine, where the current CETC support is not excessive. This occurs because the costs of rural wireless buildout are higher than the national average and in many cases are higher than the costs for providing wireline service. The MPUC also requires that all CETC support be used to buildout rural systems and it monitors compliance with that requirement.

The capping of the CETC support at 2006 average payment level will likely cause delay in the construction of towers in Maine that have been planned for the next year, even if Maine designates no additional CETCs. These planned towers would generate little if no revenue for the wireless carrier because the areas they serve have very few fixed customer locations. Nevertheless, the public health and safety requires remote areas to be provided with mobile wireless service and universal service support for such service should be continued.

Instead of capping the CETC fund nationally at average 2006 levels for each state, the MPUC suggests capping the fund only in those states where growth has been excessive and where state commissions have not established mechanisms to insure that all CETC support is used for rural buildout purposes. If the growth in CETC support for each state were limited to provide funds needed to cover planned rural buildout projects and states were required to certify that the support was both needed and being used for rural buildout purposes, the growth in the fund should be controlled. Rural wireless buildout could then continue at a moderate price while support mechanisms for CETCs are reexamined.

The solution to controlling rapid growth of the CETC USF should focus on those areas causing the problem and not penalize those areas, such as Maine, where the growth in the fund has been moderate and all funds have been used for their intended purpose. Since the FCC has not acted on meaningful universal service reform since 2001, we are very skeptical that the proposed emergency cap will, in reality, last for a short time as the concept's advocates suggest. Rather, we believe an extended moratorium will occur that will significantly delay rural infrastructure investment in advanced services. Therefore, a cap at average 2006 levels is likely to irreparably harm rural residents of Maine.

Accordingly, the MPUC respectfully suggests that the Commission give serious consideration to the approach suggested above so that wireless rural buildout may continue in Maine and other similarly situated areas.

Respectfully submitted,

s/Trina M. Bragdon  
Trina M. Bragdon, Esq. for  
Maine Public Utilities Commission  
24 State Street  
18 State House Station  
Augusta, ME 04333